

PHOTO OF THE DAY



MTVA/Lajos Szócs

Snowdrops blooming in Budapest

UPCOMING EVENTS

Stats office prelim reports on consumer prices in Dec, industry in Nov

Events related to the war in Ukraine

Hungary's most powerful supercomputer up and running in Debrecen

TOP STORY

GOVT TO COVER ERASMUS IF EU TALKS FAIL

The government will cover students' 2024 Erasmus grants if it fails to reach an agreement with the EU on Erasmus funding for universities run by foundations, the head of the Prime Minister's Office said.

At a government press briefing, Gergely Gulyás called it "unacceptable" that universities run by foundations would become ineligible for funding as part of the EU's Erasmus programme, under which students from Hungary can study abroad. He said there were numerous examples of universities in western Europe that had active politicians sitting on their boards of trustees. He said the matter was also "outrageous" because when Hungary reached an agreement with the European Commission, the government had followed the executive body's rules on conflicts of interest. Hungary would have been open to adopting even stricter rules, but Brussels did not require it, he added.

Gulyás said the EC had not put forward clear requirements regarding higher education institutions. He said Tibor Navracscics, the regional development minister, will consult with the EU on the matter. The government hopes "that this is just a misunderstanding and the matter can be resolved quickly", he added. If no agreement is reached, Hungary will cover the costs of next year's Erasmus grants, Gulyás said.

**GULYÁS: HUNGARY MAY
SUE EC OVER ERASMUS**

If the matter of Hungary’s Erasmus funding is not resolved, Hungary will file a lawsuit at the Court of Justice of the European Union (CJEU) over the resolution suspending the programme, the head of the Prime Minister’s Office said. This year’s Erasmus grants have already been approved and are not impacted by any council resolution or commission opinion, Gergely Gulyás said, adding that the decision applies to the 2024 grants. Hungary wants to find a calm solution to the matter, he said, adding there may be little room for one given that the government had consulted with the EC and fulfilled its requests.

Meanwhile, Gulyás said the number of academic publications by universities that have adopted the foundational model increased by 18% over a single year.

Higher education admissions increased by 9% in 2021 and a further 7.5% in 2022 compared with 2020 despite there not having been more secondary school graduates in 2022 than in 2020, he said.

There are currently around 40,000 international students studying at Hungarian universities and colleges, up by 65% since 2013, he said. Hungarian higher education institutions received applications from 11,300 international students between 2020 and 2021 despite the coronavirus pandemic, most of which went to universities run

by foundations, Gulyás said. Hungarian universities have also moved up significantly in international rankings, he said, noting that there were 11 institutions ranked in the Times Higher Education World University Rankings this year, compared with nine two years ago and seven four years ago.

Also, government funding for higher education is now double what it had been in 2020 despite the difficult economic situation, Gulyás said.

Asked about the conditions of the Erasmus programme, Gulyás said the government would have been prepared to accept any EU request not to have politicians serving on the boards of trustees of universities, but no such request had been made. The EC’s only requirement regarding conflicts of interest was that government officials should not be involved in decisions on EU funds, he said. The government is unable to recall anyone from university boards of trustees; rather, it can only draft conflict-of-interest rules that prohibit members of government and state secretaries from sitting on university boards, he added.

Turning to the economy Gulyás said the 2023 state budget was dedicated to protecting the caps on household utility bills. Referring to changes to this year’s budget, expected to be passed by parliament in March, Gulyás said the government was committed to maintaining its utility price cap programme and high employment “amid a number of economic hazards”. The goals of increasing pensions and real wages have not changed, he added.

The goal of avoiding a recession was likely to be met, he said, adding that most analysts were in agreement with the government’s growth target of 1.5% for this year. If that is met, he said, the utility price caps could be maintained for average consumption, while family subsidies could even increase. The budget deficit is set to fall to 3.9% of GDP from 4.9% and the public debt is expected to decline further, he said.

On the subject of energy, the minister said the country’s energy bill increased from 7 billion euros to 17 billion last year, but 2,600 billion forints (EUR 6.5bn) can be tapped from the utility price protection fund help both families and municipal and state institutions with their expenses. Answering a question on negotiations between the government and municipalities concerning energy subsidies, Gulyás said the government wanted another round of talks, “depending on the economic situation and trends in utility prices”. He warned against “too much optimism”, but noted that the price of gas and oil had reached its lowest level in the past eight months, adding that if that trend continued “it could help a lot both in terms of municipalities and the national economy”. Gulyás also welcomed an unusually mild winter’s resulting in low gas consumption and lower prices, and noted that Hungary’s gas storage facilities had “significantly large” reserves.

Meanwhile, Gulyás said the European Parliament was “losing the credibility it had left to an unprecedented corruption scandal”. Hungarian MEPs



will put forward an asset declaration proposal, he said, adding that the EP can only remain a serious institutional player in European politics if it fully examines the corruption allegations and draws the right conclusions. "It's obvious that the asset declaration system can't stay as it is," he added.

As regards the Hungarian left's campaign donations, Gulyás said Hungary's campaign finance rules were adequate, noting that they banned all political parties from accepting foreign donations. It would be "an illusion" to think that foreign donors would not ask their beneficiaries for something in return, Gulyás said. "Hungary has a left-wing opposition that can be bought in dollars, and the Hungarian voters were wise not to elect them," he added.

Concerning the war in Ukraine, Gulyás said Hungary believes it could only deliver weapons to its north-eastern neighbour via the Transcarpathia region, which has an ethnic Hungarian population of over 100,000. Hungary therefore does not send weapons to Ukraine because the number one priority is to spare Transcarpathia from the war, he added.

Meanwhile, Gulyás said Hungary's offer to treat Ukrainian soldiers wounded in the war still stands, noting that dozens of troops had been treated in the country.

In response to a question, he said there were no plans for Prime Minister Viktor Orbán to visit Ukraine.

As regards migration, Gulyás said migration pressure on the southern border was intensifying, adding that

hopefully Slovenia and Croatia could protect their own borders. Every member of the passport-free Schengen zone has a duty to protect the area's external borders, "which Hungary is fulfilling in exemplary fashion", he said.

Asked why Hungary's Eximbank had provided credit to Bosnia's autonomous Serb Republic, Gulyás said it was in Hungary's economic and strategic interest to invest in as many parts of the Balkans as possible. In response to a question, he said the Hungarian government had never supported this territory's independence aspirations.

On another subject, he said Hungary had seized 870 million euros worth of Russian assets -- most of it from Sberbank -- in line with EU rules.

Asked if the reports about two owners of the battery plant being built in Debrecen being under house arrest in China had affected the government's support for the project, Gulyás said the government wanted to clarify whether the reports were true. If they are, he said, it needed to be determined whether this had any effect on the operations of the company and the investment. The government has received no official confirmation of the reports, he added.

Asked if pensions may be raised again later in the year because of inflation, Gulyás said pensions could not be allowed to lose their real value. If annual inflation forecasts are above 15% by August, pensions will be raised by November at the latest, he said.

Concerning remarks by teacher unions that teachers at vocational schools may also join the strikes, Gulyás

said the government was open to talks with anyone. The government's proposed wage hikes are a guarantee for teachers getting the financial recognition they deserve, he said.

Answering a question on the cap on food prices, Gulyás said they may be maintained as long as they did not generate shortages, adding that the government was planning to maintain that regime until April 30.

Concerning an earlier plan to get private doctors involved in state health services, Gulyás said that the government had dropped the idea following consultations with the sector; many doctors had protested against the proposal.

Meanwhile, Gulyás said the government was against the introduction of a tax on land.

Asked about a criminal complaint by the opposition Democratic Coalition suggesting that the government should take the blame for Hungary having been denied access to EU funding, he said Ferenc Gyurcsány, DK's leader, had "started his political career in a mass murderous communist party state" and "he still thinks that law should serve politics".

On the topic of the 2024 European Handball Championships, Gulyás said Hungary had decided against organising the event due to its high cost.

Asked about a government plan to spend 22 billion forints (EUR 55m) on monitoring the media in the next four years, Gulyás said the sum had been set aside but decisions about how much to spend would be made periodically.



PRESIDENT NOVÁK MEETS MONTENEGRIN COUNTERPART

President Katalin Novák met Montenegrin counterpart Milo Đukanović in her office in Sándor Palace on Thursday. Her office said in a statement that the meeting focused on cooperation between the two countries, challenges of the recent period, the war in Ukraine, the situation in Kosovo and in Bosnia-Herzegovina, and the European Union integration of the Western Balkans.

Hungary's position is that challenges of the recent period increasingly revealed that problems experienced in Europe can only be handled with the involvement and urgent integration of the Western Balkans, the statement said. The stability of the Western Balkans is an important precondition for European security, it added. Novák assured the Montenegrin president that Hungary continues to be dedicated to the urgent EU accession of Montenegro and the region.

Đukanović expressed appreciation of Hungary's family policy measures and the country's dedication to bilateral cooperation in economy, tourism, education and science, as well as the integration of the Western Balkans.

The sides also discussed the increasing pressure of migration on the southern route, and they were in agreement that illegal migration must be stopped, the statement said. Novák said that Hungary had been making great efforts since 2015 to protect EU borders from illegal migration.

Prime Minister Viktor Orbán also held talks in his office with Đukanović, the

PM's press chief said, and they discussed the economic and energy crisis caused by the Russia-Ukraine war, Montenegro's accession process to the European Union, and the Euro-Atlantic integration of the Western Balkans.

PRESIDENT NOVÁK: HUNGARIANS GOOD CRISIS MANAGERS

Hungarians have good abilities to cope with crises, President Katalin Novák said at a reception held in honour of foreign ambassadors accredited to Hungary, late on Wednesday. Novák said 2022 had been one of the most difficult years but the country could cope with the challenges on a basis of respect and pragmatism. Referring to the challenges, the president said the coronavirus pandemic was hopefully over but added that its economic and social ramifications were still to be faced. She mentioned the war in Ukraine, as well as an energy shortage hitting many European countries. She noted an increasing migratory pressure on Hungary's southern borders. She also referred to uncertainty in society and uncompetitive salaries in certain sectors, as well as incessant fights with the European Union's institutions. On the other hand, she said the Hungarian economy was strong and the political system was stable, while the government had a strategic philosophy. Hungarians, she added, were proud of being Hungarians and Europeans at the same time, while they were ready to explore other countries. Addressing the diplomats, Novák said cultures were different and decisions made in each were different, too, but Hungary respected all of them. In

turn, the country expects other countries to respect its decisions. Concerning the war in Ukraine, Novák called for pragmatism, but warned that Europe's survival should also be considered. NATO must stay out of the war and avoid getting involved in the conflict, she said, adding she wished 2023 brought peace.

HUNGARY TO DONATE ANOTHER 2 M DOLLARS FOR CHURCH RECONSTRUCTION IN LEBANON

The Hungarian government is donating another 2 million dollars to the renovation of 30 Christian churches in Lebanon, in an effort to reduce the pressure of illegal migration, the foreign minister said in Beirut. Péter Szijjártó, speaking at a press conference held together with his Lebanese counterpart, said the food crisis, one of the global ramifications of the war in Ukraine, posed a huge challenge for countries in a difficult situation such as Lebanon. "These difficulties could lead to even greater waves of migration from unstable regions and we also know that those waves cause instability and are usually directed at Europe," Szijjártó said. "Should that pressure increase, Europe will not be able to handle it."

Szijjártó noted that around one fifth of Lebanon's population was now made up of Syrian refugees, and called for international assistance to help them return to their homeland, adding that providing accommodation to that community was a huge burden on Lebanon. Unless such help is provided,

further masses of migrants could set off for Europe, he said. So far, the Hungarian government has financed the renovation of 33 Christian churches in Lebanon using a budget of 1.8 million dollars, the minister said. "We want Lebanon to remain Lebanon, with a Christian community that can rely on Hungary's help," he said. "Christians in Lebanon asked us earlier to save their churches so that those churches could save Christian communities." Despite being distant countries, Hungary and Lebanon have a shared interest in achieving peace in Ukraine, before the food crisis further aggravates and "spurs millions and tens of millions to leave their homeland", he said. "Hungary appreciates Lebanon's efforts and Lebanon can rely on Hungary's help in future," he said.

The international community should shift its focus to helping Syrian refugees return to their homeland, he said, warning that failure to do so could lead to instability in the Middle East and "unprecedented migration pressure".

FIDESZ MEPS: HUNGARY GETS EU FUNDS TO DEVELOP OIL INFRASTRUCTURE

Hungary will get EU funding for developing its oil infrastructure, the Fidesz MEP group said on Thursday. "Common sense won, the dollar left-wing lost," the MEPs said in a statement after European parliamentary budget and finance committees voted to adopt the European Commission's RepowerEU package of proposals. "The vote concluded highly successfully

for Hungary," the statement said, adding the vote meant that Hungary could take a step closer to energy independence. It added that left-wing MEPs had worked strenuously in recent months to exclude oil industry investments from eligible projects, but to no effect, while the standpoint represented by Fidesz from the outset "triumphed in Thursday's vote".

Hungary's share of the RepowerEU framework will doubled to more than 700 million euros, the statement said. The RepowerEU package unveiled in May aims to help EU member states reduce their dependence on energy imports from Russia. RepowerEU can draw on 300 billion euros in the coming years, with 225 billion euros available as a loan from the largest recovery facility (RRF), supplemented by an additional 72 billion in non-reimbursable support. Three member states, including Hungary, would be able to finance oil industry investments from RepowerEU resources as a result of a compromise reached by the Council of the European Union and the EP in December. An EP plenary must vote on the decision of the EP committees of the measures to take effect.

STUDENT FEDERATION URGES GOVT-EU DEAL TO ENSURE CONTINUED FUNDING UNDER ERASMUS PROGRAMME

"Higher education without the Erasmus programme is inconceivable," the federation of Hungarian student governments (HÖÖK) said on Wednesday,

urging an early agreement between the Hungarian government and the European Union to ensure that Hungarian universities run by foundations should continue receiving EU funds under the programme in 2024. A press report on Monday suggested that universities run by foundations would not receive fresh funding as part of the EU's Erasmus programme -- under which students from Hungary can study abroad -- and Horizon Europe research and innovation schemes. In a statement, HÖÖK said Hungary's foundation-based higher education model "allows room for criticism" but added that "students' access to services such as exchange programmes cannot be subjected to disputes aimed at correcting defects of the system". Ensuring access to such opportunities is "an issue outside politics", HÖÖK said, insisting that "all players that can do something in the interest of a settlement should work hard to find a solution for students as soon as possible." HÖÖK has contacted the European Students' Union and will also approach the European Commission's office in Budapest.

SOME 12,000 UKRAINE REFUGEES ENTER HUNGARY ON WEDNESDAY

Fully 5,811 refugees entered Hungary at the Ukraine-Hungary border on Wednesday, while 5,971 came to the country via Romania, according to the national police headquarters (ORFK). Police issued temporary residence permits valid for 30 days to 295 people, ORFK said on Thursday.

INFLUENZA EPIDEMIC UNDER WAY - MEDICAL OFFICER

Hungary is witnessing an epidemic of influenza-type illnesses, with respiratory syncytial virus a big factor in the equation, the chief medical officer said on Thursday. Cecilia Müller said that in the first week of the year almost 162,000 people turned to their GP with an acute respiratory infection, and 19,000 of them were diagnosed with a flu-type illness. Acute respiratory diseases increased by 20% and flu-like diseases by 50% compared with the last week of the year, she said. The severest data were from Győr-Ménfőcsanak and Békés counties (in western and south-eastern Hungary, respectively), while the fewest were in Fejér and Borsod-Abaúj-Zemplén counties (eastern and central, respectively), she added. In the first week of the year, 367 people were hospitalised with acute respiratory infections, and 42 people required intensive care. Fully 45.5% of the 367 patients treated at the hospital were below the age of two, while 41.7% were older than 60. Fully 105 patients were diagnosed with RSV, 100 with coronavirus, and 17 with influenza. Currently, there is no ban on visiting hospitals, but this could change as the number of cases increases, she said.

PROSECUTOR PRESSES CHARGES AGAINST TWO SMUGGLING DRUGS FROM TANZANIA TO UK

The chief prosecutor's office of Budapest has pressed charges against a Hungarian and an Irish national who smuggled some 6,000 kilograms of khat plant containing a

stimulant drug from Tanzania to the United Kingdom in 2015-16, the authority said. The ground plant was disguised as sage and sent by air via Hungary. The Hungarian suspect stored and re-packaged the substance in Hungary and sent the packages labelled as technical goods, on to the UK, the statement added. Investigators seized the last two shipments, weighing nearly 700 kilos, at Budapest's Liszt Ferenc International Airport, the statement said. The two suspects are facing charges of drug smuggling.

FISCAL COUNCIL SEES BUDGET AMENDMENT BILL 'CREDIBLE'

The budget amendment bill submitted to parliament is credible, and the Fiscal Council has no "fundamental objections", but it sees several risks concerning the fulfilment of its targets, the body said. Hungary's ESA deficit ratio is set to grow to 3.9% from 3.5%, while the cash-flow deficit will expand from 3.3% to 4.5%, the Fiscal Council said on its website, noting that a 3% deficit would be "desirable". The amended 2023 budget bill targets growth of 1.5% as against 4.1% initially forecast, it noted, adding that the growth largely depends on foreign market trends. The government's plan to use revenue from any extra growth above 1.5% to reduce the deficit is a welcome development, the council said. It also noted that the public debt is projected to drop to 69.7% by the end of 2023 from 73.5% at the end of last year.

GUEST NIGHTS RISE 7.8% IN NOVEMBER

Guest nights at commercial accommodations in Hungary rose by 7.8% to 1,697,000 in November from the same period a year earlier, the Central Statistical Office (KSH) said. The number of guest nights spent by domestic travellers rose by 1.6% to 856,000, and guest nights spent by foreign visitors increased by 15.0% to 842,000. Revenue of commercial accommodations climbed 34.9% to 35 billion forints (EUR 87.7m). In January-November, the number of guest nights spent by domestic travellers rose by 19% and foreign guest night numbers jumped 114%, KSH said. Revenue of commercial accommodations increased by 70.0% to 421 billion forints during the period.

NETHERLANDS TO BE GUEST OF HONOUR AT BUDAPEST BOOK FESTIVAL

The Netherlands will be the guest of honour at the 28th Budapest International Book Festival held between September 28 and October 1 at the Millenáris Park, organisers said. Katalin Gál, head of the association of Hungarian publishers and book sellers (MKKE), meanwhile said this year's Book Week would be held between June 8 and 11 in Vörösmarty Square and on the embankment of the Danube on the city's Pest side. Both events were cancelled in 2020 and 2021 due to the coronavirus pandemic.